

# Subsea firms call on Government to build confidence through industrial strategy

North East-based suppliers of subsea engineering and equipment are among UK counterparts to report good market prospects but lack of confidence in project delivery.

Research from industry body the Global Underwater Hub – which has a [base on Tyneside](#) – points to positivity among firms about market opportunities, particularly in offshore energy, but lower sentiment about whether or when projects will be delivered. Members of the Hub say a lack of project surety and “concerning” uncertainty about timelines is making it difficult to link business and investment plans to final investment decisions, tender awards and project sanctions – with 62% saying they believe project timelines will be missed.

The Hub’s 2024 Business Survey indicates the underwater industry has grown over the past year from £8bn to £9.2bn, supporting 51,000 jobs. Its leaders say the industry stands ready to help accelerate the global energy transition but is being held back by uncertainty, and they have called on the UK Government to recognise the scale and potential of the industry in its industrial strategy.

Nearly 90% of companies believe they have the necessary capabilities to meet demand and 60% say the oil and gas market remains their short term priority. And while 80% of respondents said they have confidence in global underwater markets, the GUH has cautioned that exports could turn into wholesale moves abroad, significantly reducing the domestic

footprint.

Neil Gordon, GUH chief executive, said: “Our world class underwater supply chain rightly sees itself as having the necessary, leading capability to harness the opportunities across all its markets, particularly in offshore energy. It is closing the gap towards having the necessary capacity to meet demand but does not have sufficient confidence in project timelines and returns to trigger the necessary investment.

“If these businesses are to invest and plan for the coming decades, they need strong market signals and commitment at various stages of a project and market development. Aligned policy, timely consenting, sensible financing, concrete project timelines and clear supply chain investment are imperative to move projects from the drawing board to the seabed.”

He added: “The UK has cultivated a world-leading underwater sector with a supply chain that continues to report robust growth and is ready to support projects around the world. But we risk losing these organisations without an industrial strategy which supports both a just transition and our ability to take a world-leading role in new markets by leveraging our supply chain’s excellence across most project lifecycles.

“Our supply chain has the capability and capacity to take on global projects, but we must ensure that the UK remains an attractive location from which to manage these and that UK projects are internationally competitive when compared with opportunities elsewhere. With an industrial strategy that encompasses multiple underwater markets and recognises that most supply chain companies will service a mix of these markets, we can sustain and grow the capacity and capability of the underwater industry through the transition in areas where the UK has a global competitive advantage.”